A study on the effect of Stress on performance of employees in Commercial Bank of Ceylon in the Eastern Province

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Abstract

Many executives feel they could make better decisions and perform more effectively if they worked under less stress. Stress has also been linked to absenteeism, turnover, and industrial accidents. As such, this study was carried out with the primary objective of understanding the level and relationship between stress and performance of Commercial bank PLC employees in the Eastern Province of Sri Lanka. It also tried to identify the impact of Job related stress, Organizational related stress, and Individual related stress on performance. These objectives are reached through the application of descriptive analysis , correlation technique and regression technique. Descriptive analysis is applied to find out the level of stress and correlation coefficient is useful for finding out the relationship between variables. Regression analysis is applied to test the impact of stress on performance. The results revealed when mean value is compared, mean value of the organizational related stress is higher than the other two. It is also found that there is a negative relationship between stress and performance. It is concluded that stress is having an impact on Commercial bank PLC employees performance, at the same time The influence of organizational related stress is higher than job related and individual related stress.

Key words: Job related stress, Organizational related stress, Individual related stress and performance

1. Background to Study

Stress is a complex and dynamic concept. Undesirable level of stress affects overall performance of the organization. Therefore, in order to get the work done effectively, organization or manager should properly manage the level of stress. To achieve this organizational objective all the factors which influence stress should be properly identified and measured

There is no single level of stress that is optimal for all people. Positive stress adds anticipation and excitement to life, and we all thrive under a certain amount of stress. Our goal is not to eliminate stress, but to learn how to manage it and how to use it to help us. Therefore it is very important for both individual and organization to manage the stress to its optimal level.

In this research, stress is taken as the independent variable and to attempt is made to know how it affect the employees' performance. In order to conduct this study effectively, stress is further divided into its dimensions, such as job related, individual related and organizational related stress and techniques were applied to find out the level, relationship and impact of stress on employees performance. All the employees of Commercial bank PLC branches in Eastern province of Sri Lanka are selected as the study sample.

The province was affected by thirty years of ethnic unrest. At the end of the civil war, most of the Banks & financial institutions penetrated into the Eastern province which increased the competition among them. Due to the new comers offering competitive products, all the existing institutions focused on improving the service standards to maintain the customer base which has resulted in boosting up the targets given to the employees and also made the stress level of the employees to increase. Being the No 1 bank in Sri Lanka for the past 13 consecutive years the Commercial Bank management expects more contribution from the employees with the limited resources by way of cost cutting. As such, it creates a pressure on its employees to maintain the standard in the same level. This in turn could develop stress among the employees. Therefore, this study analysis relationship between the stressors (job related factors, organizational related factors, Individual factors) and the

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performance of employee in Commercial Bank branches in Eastern province with   the following research question :

What are the main sources of stress and how do they influence Commercial Bank employees' performance in the Eastern province of Sri Lanka?

This research is carried out with the objective to find out how much stressed the employees of the Commercial bank Eastern province are and how do their stress affect their performance. For this purpose the level of stress of employees, its relationship and the impact of stress on their performance under the effect of such stressors is studied .

With the identified problem, research question and the objectives the following hypotheses were formed:
H1:- Job related stress has a relationship with employees' performance.
H2:- Organizational related stress has a relationship with employees' performance.
H3:- Individual related stress has a relationship with employees' performance.

2.Literature Review

 Hans Selye first introduced the concept of stress in to the life science in 1936. He defined stress as "The force, pressure, or strain exerted upon a material object or person which resist these forces and attempt to maintain its original state." Stress is ubiquitous in our society. It has become an integral part of everyday living. Researchers on stress make it clear that, to enter in to the complex area of stress, especially in to the area of occupational stress, is very difficult.

The advent of technological revolution in all walks of life coupled with globalization, privatization policies has drastically changed conventional patterns in all sectors. The banking sector is of no exemption. The 1990s saw radical policy changes with regarding to fiscal deficit and structural changes in India so as to prepare her to cope with the new economic world order. Globalization and privatization led policies compelled the banking sector to reform and adjust to have a competitive edge to cope with multinationals led environment, especially extensive use of computers in the sector has changed the work patterns of the bank employees and has made it inevitable to downsize the work force in the sector. The implications of the above s a i d transformations have affected the social, economical and psychological domains of the bank employees and their relations. Along with other sectors, the banking sector also leaning towards the policy of appointing contract lab ours while various compulsive as well as rewarding options such as VRS, etc.

All the factors discussed above are prospective attributes to cause occupational stress and related disorders among the employees. Although a lot of studies have been conducted on the psychosocial side of the new policy regime in many sectors, there are only few studies, as far as the banking sector is concerned, while the same sector has been .drastically influenced by the new policies. In this juncture, the present study is undertaken to address specific problems of bank employees related to occupational stress. This throw light in to the pathogenesis of various problems related to occupational stress among bank employees. The study will be helpful to .drawn up further policy on the related fields and act as a secondary data for further research.

B e e h r a n d N e w m a n (1 9 7 8) define occupational stress as "A condition arising from the interaction of people and their jobs and characterized by changes within people that force them to deviate from their normal functioning".

Cobb (1975) has the opinion that, "The responsibility load creates severe stress among workers and managers." If the individual manager cannot cope with the increased .responsibilities it may lead to several physical and psychological disorders among them. Brook (1973) reported that qualitative changes in the job create adjust mental problem among e m p l o y e e s. The interpersonal relationships within the department and between the .departments create qualitative difficulties within the organization to a great extent.

The use of role concepts suggests that job related stress is associated with individual, interpersonal, and structural variables (Katz and Kahn, 1978; Whetten, 1978). The presence of supportive peer .groups and supportive relationships with supervisors are negatively correlated with role conflict (Caplan et al., 1964). Workplace interpersonal conflicts and negative interpersonal relations are prevalent sources of stress (Dewe, 1993; Lang, 1984; Long et al., 1992), and are existed with negative mood depression, and symptoms of ill health (Israel et al., 1989; Karasek, Gardell and Lindell, 1987; Snap, 1992).

Based on the researches done by Roediger (1980), Seley (1983), and Ferris, Bergin, and Wayne (1988) the independent variable in this research is further subdivided into dimensions such as job related, organizational related and individual related stressors. Hence the conceptual framework which is formulated on the objective to be achieved clearly shows the linkages of the variables in this study .

3.Methodology

Figure 2: Conceptual Framework
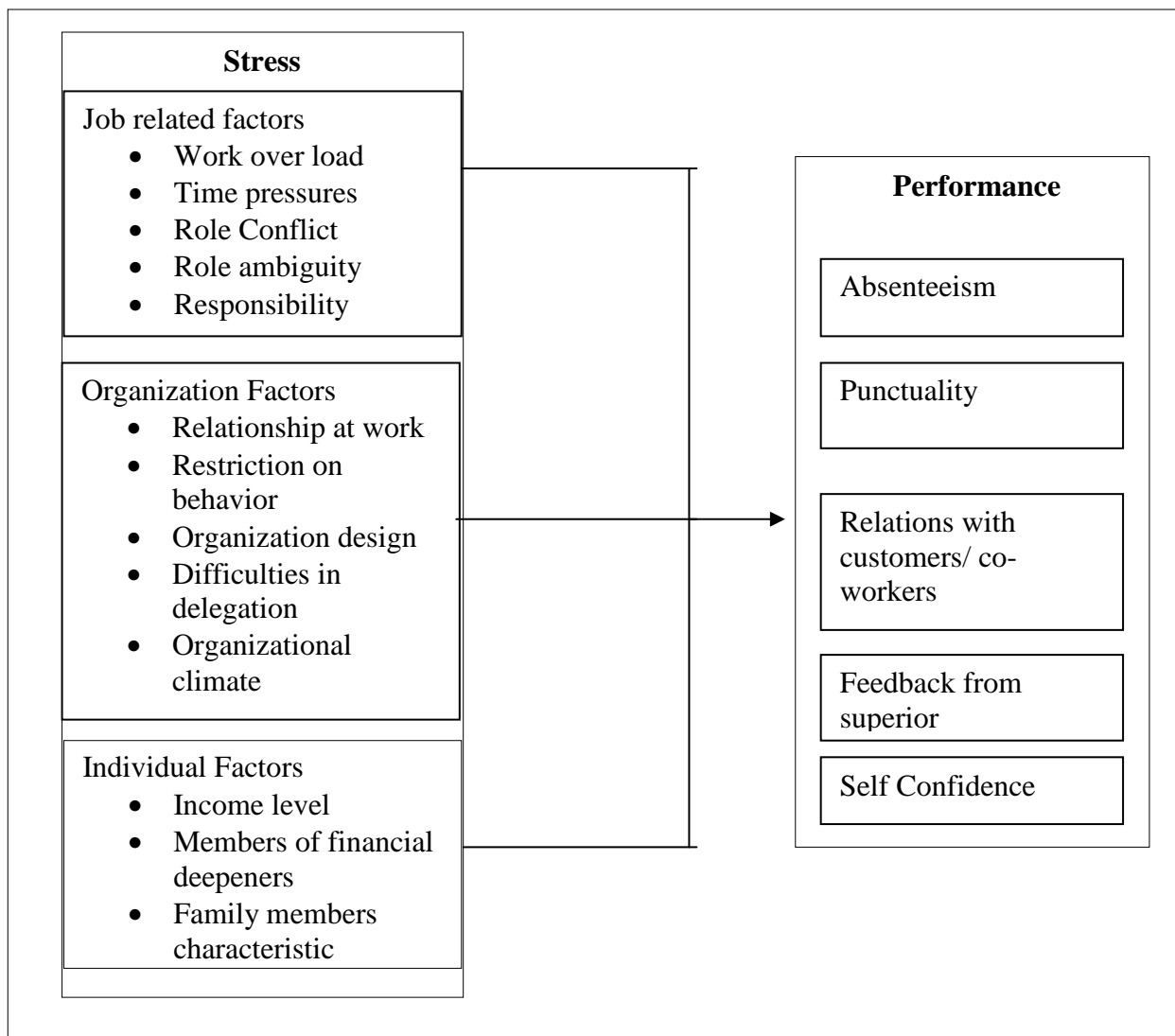
Based on the above conceptual framework, questionnaire was prepared after operationalization and issued among the employees of Commercial Bank PLC in the Eastern province. As the total number of employees was only 88 in all the branches in the Eastern Province which is small, the population was selected as a sample.

3.1Data Collection

The main data collection technique used in this research is was questionnaire. The questionnaire was divided into two sections - in the first section, personal details of the selected employees were collected and employees were required to fill in the section I questions. The section II of questionnaire was used to find out the stress level of the employees and performance level exist in the selected organization and the impact of stress on performance. In this part 50 questions were asked to measure four variables such as, job related factors, organizational factors, individual factors and performance. To measure each variable, eight questions were given but all these questions were mixed systematically.

Question B1,-B10 were used to find out the degree of stress caused by organizational factors

Question C1-C10 were used to find out the degree of stress caused by job related factors.

Question D1-D10 were used to find out the degree of stress caused by individual factors.

Question E1-E10 were used to find out the degree of performance of the employees.

In this questionnaire, questions A1-A10 are for individual factors.

Employees were requested to mark on a 5 point Likert type rating scale. To obtain the rating – score, numbers marked were added up and mean value was obtained to categorize the level of stress. In respect to the negative question, answer number 5 becomes 1, answer number 4 becomes 2 and so forth. In this way total score was calculated for each variable. Based on the following table degree of each variable was measured.

Table 2: Rating of the score

Total Rating Range of mean value	Level of influence of the variable on dependant variable
$1 \leq x_i \leq 2.5$	Low level
$2.5 < x_i \leq 3.5$	Moderate level
$3.5 < x_i \leq 5.0$	High level

x_i- Mean value of Job related factors

x_2- Mean value of Organizational related factors

x_3 – Mean value of Individual related factors

Several statistical tools are used such as measures of central tendency and measures of variability or dispersion for the analysis. Correlation analysis is also applied in the study to identify **i**f a change in the value of one variable is accompanied by change in the value of another variable. In addition to that, regression analysis is run to describe the nature of the relationship between variables in terms of a mathematical equation.

4. Results and Discussion

To find out the level of job related stress, organizational related stress and individual related stress, data gathered through the questionnaire was analyzed based on the 15 indicators. Job related stress include work over load, time pressures, role conflict, role ambiguity and responsibility whereas Organizational related stress includes relationship at work, restriction on behavior, organization design, difficulties in delegation, and organizational climate. Finally, individual related stress includes income level, members of financial deepeners, family members characteristic, conflicting demands and career development. Performance also measured by absenteeism, punctuality, relations with customers and co- workers, feedback from superior and self confidence. The following Table shows that the objective to find out the source and the level of stress is fulfilled. The mean value, standard deviation, frequency and percentage were calculated for the variables from analyzed data that were collected from 88 respondents who are the employee from Commercial PLC branches in the Eastern Province of Sri Lanka.

Table : Mean Value of Stress

	Stress	Mean	SD	Level of stress as per Decision rule
01	Job related stress	4.11	.289	High
02	Organizational related stress	4.12	.285	High
03	Individual related stress	4.09	.295	High
	Stress	**4.10**	**.288**	**High**
	(Source: Survey Data)			

The above table shows that overall mean value of stress as well as all dimensions of stress are at a high level. When compared with other two dimensions, Organizational related stress is at a slightly higher level among Commercial PLC employees in the Eastern Province.

Level of stress among the employees

Table 2 shows the results of job related, organizational related and Individual related stress and the stressors. Mean values of all three kind of stress register their value above 4.00, which is coming under the range of $3.5 < X \leq 5.0$ and considered as a higher level as per the decision rule. On the other hand, the dependent variable, performance, is registering an overall mean value as 1.94 which is falling into the range of low level. The following table also fulfills the objective to find out the level of influence of each variable.

Table 2: Level of stress and their stressors.

	Variables	Mean	SD
01	Work over load	4.33	.678
02	Time pressures	4.18	.553
03	Role Conflict	3.95	.555
04	Role ambiguity	4.02	.587
05	Responsibility	4.04	.553
	Job related stress	**4.11**	.289
01	Relationship at work	4.34	.663
02	Restriction on behavior	4.19	.544
03	Organization design	3.96	.548
04	Difficulties in delegation	4.03	.581
05	Organizational climate	4.07	.528
	Organizational related stress	**4.12**	**.285**
01	Income level	4.32	.675
02	Members of financial deepeners	4.16	.566
03	Family members characteristic	3.94	.566
04	Conflicting demands	4.02	.589
05	Career development	4.00	.572
	Individual related stress	**4.09**	**.295**
01	Absenteeism	1.80	.812
02	Punctuality	1.82	.621
03	Relations with customers and co- workers	1.82	.670
04	Feedback from superior	1.99	.565
05	Self confidence	2.26	.648
	Performance	**1.94**	**.426**

As the mean values of three dimensions of stress - job related , organizational related and individual related- show high level and the performance show low level, to check their relationship, a correlation analysis was done. The following Table 3 provides information on the relationships between the dimensions of stress and performance and also fulfills the objective to find out the relationship between variables.

Table 3 : Correlation between variables

		Job related factors	Organizational related factors	Individual related factors	Performance
Job related factors	Pearson Correlation	1	.989**	.985**	-.446**
	Sig. (2-tailed)		.000	.000	.000
Organizational related factors	Pearson Correlation	.989**	1	.973**	-.438**
	Sig. (2-tailed)	.000		.000	.000
Individual related factors	Pearson Correlation	.985**	.973**	1	-.430**
	Sig. (2-tailed)	.000	.000		.000
Performance	Pearson Correlation	-.446**	-.438**	-.430**	1
	Sig. (2-tailed)	.000	.000	.000	
Overall Stress	Pearson Correlation				-.433**
	Sig. (2-tailed)				.000
**. Correlation is significant at the 0.01 level (2-tailed).					
(Source: Survey Data)					

The r value is -0.446, which indicates Jobs related stress negatively impacts on Performance in medium level. The correlation between the Organizational related stress and Performance shows the value of -0.438, which indicates Organizational related stress has a negative medium level impact on Commercial Bank PLC employees' performance. The Correlation between the Individual related stress and Performance is -0.430, and indicates Individual related stress also has a negative medium impact on performance.

The Tables also show the correlation and regression between overall Stress and Performance. The value of the correlation coefficient is -0.433, which indicates the overall Stress, which was measured through the above three dimension is having a moderate impact on employees' performance in a negative manner. On the other hand, the overall stress is able to explain the variance in performance by the B value of -0.626. This value indicates that as overall stress decreases by one unit, performance increases by 0.626 units.

Table 5:Coefficients

model	Unstandardized coefficients		Standardadised coefficients		
	B	Std error	Beta	t	sig
constant	4.507	.578		7.797	.000
stress	-.626	.140	-.433	-4.458	.000

**. Correlation is significant at the 0.01 level (2-tailed).

To ascertain the contribution by the variables to explain the variance in the dependent variable and to test the hypothesis, a linear regression was worked out as follows:

Table 6: Coefficients of the study variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.560	.592		7.697	.000
	org factors	-1.193	1.186	-.826	-1.006	.317
	job	.084	.932	.057	.090	.928
	ind	.471	.762	.335	.619	.538
2	(Constant)	4.570	.580		7.878	.000
	org factors	-1.113	.778	-.770	-1.430	.157
	ind	.473	.757	.337	.625	.534
3	(Constant)	4.540	.576		7.881	.000
	org factors	-.634	.140	-.439	-4.531	.000

a. Dependent Variable: per

According to the output given above it, it is obvious that the introduction of individual and job related stress factors give unsatisfactory results. Hence, those two stressors do not appear to be of any importance in determining the nature and level of performance of the employees. However, organizational stress factors have a negative effect on performance when other two stressors are omitted.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.443[a]	.196	.168	.38086
2	.443[b]	.196	.177	.37863
3	.439[c]	.193	.183	.37728

a. Predictors: (Constant), ind, job, org factors

b. Predictors: (Constant), ind, org factors

c. Predictors: (Constant), org factors

Excluding individual related stress and job related stress, the multiple regressions equation could be written as:

$Y = a + \beta_1 X_1 + \text{\euro}$

Y = Performance

X_1 = Organizational related stress

$Y = 4.540 + X_1 (-.634) + \text{\euro}$

Testing of hypotheses

Results obtained from the correlation analysis revealed that the hypotheses H1,H2,H3 are accepted - that is the job related, individual related and the organizational related stress have relationship with performance. However, the regression analysis is not supportive of H1 and H2 as job related and individual related stressors have no significant impact on performance. They play a negligible role in determining performance while organizational stressors have a negative, statistically significant effect on employee performance which is in supportive of the H3.

Conclusion

From the research it was observed the overall stress which is measured through job related stress, organizational related stress and individual related stress has a negative and significant impact on performance.

Each variable mean value fall within the range of 3.5<x≤5.0 and showed a high level. As Commercial bank plc is maintaining the position as the number one bank in Sri Lanka for the last few years, employees frequently face work over load to maintain the standard and suffer stress as a result which is confirmed by the fact that the organizational related stress is the dominant cause of stress. Therefore, employees of Commercial Bank of plc in Eastern province mostly experience high level of stress due to organizational stressors which in turn negatively affect the performance.

From the research, it was observed that most of the women suffer more than men in Eastern province. Naturally, the work load as caregivers is vested with women according to cultural norms of the Sri Lankan community. When women are expected to bear the duties and responsibilities of home as well as the working place, that lead to work- family conflict and results in stress. In some cases, when they were in need to work late in the evening to complete their daily targets, which may not be fulfilled due to social constraints. As Eastern Province of Sri Lanka is one of the war affected province, number of female headed households is also high. This fact should be taken care of when the organization deal with issues related with women employees.

Majority of the bankers feel that their job is stress full and that stress in return decreases their performance. Not only women, men also suffer from work overload, poor co-workers relationship and competitive career development. Therefore, the overstressed job decreases employee performance and perhaps chief contributor to employees' dissatisfaction. Proper strategies should be made regarding working hours, inter personal relationship and supervision of bankers to reduce stress and to better manage the performance of employees in banking sector.

Recommendation

When organizations manage in ways that bring out the best in people, they also reduce employee stress. The key to maximizing productivity while minimizing stress is understanding the factors that influence whether someone working very hard will feel stressed out and burnt out, or whether they will feel motivated, excited, and committed. Scientific research on stress, combined with best practices of high performance companies offers clear clues about the key factors that determine whether employees will be stressed out or energized by workplace demands.

It is seen that lack of span of control over the work environment, low acceptance for the work done, rigid organizational structure, high unpredictability in job pattern in job, departmental variation in administrator support , inadequate monetary reward, & personal issues are causes of rising stress levels in employees which ultimately affected their job performance negatively. When compared with individual related and job related stressors, organizational related stressors have high impact on employees performance. The management should take steps considering this. The following are some suggestions :

The more control people have over their work, the greater their job satisfaction, the higher their work quality, and the lower their stress level. Giving employees control includes giving them the power to make job-related decisions, the flexibility to organize their work in the way they find optimal, and the authority to make improvements on how their job is done. Making this work requires providing employees with the training, coaching, and information they need to make intelligent decisions. Another sources of employee stress is not knowing about changes taking place in the company, not knowing their supervisor's job and performance expectations, and not knowing if they are doing a good job. Communicating clearly in these areas not only reduces employee stress, it also helps them do a far better job. It is better to make the employees feel part of something great, and they want to feel that they are making a significant contribution to that greatness. When they feel this way and think that they are doing high quality work , they not only become energized by challenges, they're also more able to endure difficulties without becoming burnt out. The more opportunity employees have to make decisions, use their mind, and take responsibility, the more fulfilled they will be. To make this work, employees need to be involved in the job enrichment process.

Supervisors play a huge role in employee morale, performance, and stress level. Supervisors who know how to provide guidance, support, and encouragement minimize employee stress. Whereas supervisors with poor management skills or with personal problems, not only can't help employees deal with stressful times, they themselves are a tremendous source of stress. Supervisors encourage employees to talk freely and support one another .Having a workplace where co-workers can talk without worrying about getting into trouble, is especially important in high pressure jobs like banking. Encouraging connections among co-workers also

reduces stress, because having social support reduces the negative effects of stressful situations. This approach is more beneficial to new employees during the first few months as it is also a time of high turnover.

As Eastern Province of Sri Lanka is one of the war affected region and far away from Head office, the management has to make sure employees have the resources and training to do their jobs well. If employees don't have the tools, technology, time, staff, or training to do their job's well, they are going to be stressed out, and won't be able to work at their true potential. Investing in these areas pays huge dividends both in terms of reduced stress-related costs, and in increased productivity. Stress management issues like counseling are unexplored options for organizational management which can be employed along with monetary, non monetary and structural reforms by the management to effectively manage the stress and retain high performance of employee by lowering their turnover and dissatisfaction.

Employees could take measures which are under their control and allow them to correctly perform their responsibilities and duties assertively. Relaxation in various forms which do not hamper their work can be an appropriate factor to recover from stress. Taking control of the work environment by avoiding stressors with an open, compromising, forgiving attitude employee could manage time better as poor time management can cause a lot of stress. Since organizational related stress is much stronger than others, employees should adopt practices to relax and recharge while at work in a conducive manner to reduce stress.

The organization should create a supportive organizational climate. Unfortunately the organizations today continue to be highly formalized with accompanying inflexible, impersonal climate. Therefore the structure should be decentralized with participative decision-making and upward communication flows which could eliminate or reduce the conflict between employees and administrative officers. Organization should also has to expand the health maintenance programs, supervisor training programs and stress reduction workshops.

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